

State Senator

23rd District

Chuck Gross

End-Of-Session Report 2004

Dear Friends:

The Missouri General Assembly adjourned on May 14 having passed 215 bills and a balanced state budget for the next fiscal year without imposing a state tax increase on Missourians.

With the exception of a tort reform measure that could not overcome the governor's veto, the General Assembly met with much success. An improving economy and the continued streamlining of state government allowed us to provide significant funding increases to education, a pay raise to state employees who had done without for three years, and more than \$500 million to cover the growth in Medicaid.

Senior citizens on fixed incomes can receive help with high property tax increases and a plan to secure the unemployment fund was put into place. Greater taxpayer protections were provided through passage of the Tax Credit Accountability Act; requiring impact reports on new regulations; attaching sunset provisions to new state programs; and establishing a process to uncover state government waste, fraud and abuse while also recognizing efficiencies.

I am grateful that Missourians persevered through these last tough budget years and supported our efforts to bring the state's fiscal house in order and to reject various proposals to increase state taxes. Placing added tax burdens on Missourians, when we were suffering job losses and striving toward an economic recovery, would have pushed us into a deeper hole and held us back from the gains Missouri is now on track to achieve.

I appreciate the suggestions and comments you have directed to me during the legislative session and hope that you will continue to keep me informed on issues important to you and your family.

Sincerely,



Public School Funding

The General Assembly increased state funding for public education without a tax increase. While total education funding has been increasing nearly every year at three times the rate of inflation, it has become evident that the state must change its outdated method of distributing state funds to schools. This will be one of the most important and contentious issues the legislature must deal with in the coming year.

Funding sources: Elementary and secondary education is funded from four main sources. The state's aid to each district is calculated using the *foundation formula* in state law.

- State tax dollars, including Prop C one-cent sales tax - 46.4%
- Locally collected property, railroad and utility taxes - 42.6%
- Federal tax dollars - 7%
- Gambling proceeds - 4%

(Note: Current revenue percentages are statewide averages; taxpayers in "wealthier" districts, including those in St. Charles County, assume a greater local burden.)

2002-03 School Year: Excluding building and equipment costs, current operating expenses for Missouri public Schools totaled \$6.2 million. The statewide average spent on current operating expenses per pupil was \$7,345; the average spent in St. Charles County was \$7,428.

What's happened the last two years:

Fiscal year 2003: The legislature appropriated \$4.6 billion, an increase of \$218 million over the previous year. While the legislature makes the appropriation, the governor ultimately controls the spending to keep the state's budget in balance should revenues fall short. Gov. Holden withheld \$98 million of the appropriation, leaving \$4.5 billion.

Fiscal year 2004: Due to budget constraints, the legislature appropriated \$4.5 billion, the final amount provided the previous year. Gov. Holden withheld \$198 million, suggesting sufficient revenues would not be collected over the next 11 months to support the budget. In December 2003, the governor was forced under the state constitution to give \$75 million of the withheld funds back to schools.

April 2004: Operating under tight budgets, fearing further withholding of state aid, and having to set budgets for the coming school year, many districts sought to raise their tax levies. On April 9th, after voters approved levy increases in the Francis Howell, Ft. Zumwalt and Orchard Farm districts, Gov. Holden released the remaining funds he had withheld from schools.

Fiscal Year 2005: With an improving economy, the legislature appropriated \$4.76 billion, an increase of \$216 million, for the fiscal year beginning July 1, 2004, providing more for basic state aid as well as increasing funding in areas such as transportation, early childhood special education, gifted education, career ladder payments to teachers and parents as teachers.



Sen. Gross welcomes state track and cross country champion Amber Warren of Lutheran-St. Charles High to the State Capitol.

Continuing School Funding Issues:

Foundation Formula: The formula fails to achieve its purpose to equalize education spending. For the 2002-2003 school year, basic state aid paid to districts under the formula ranged from \$289 to \$6,237 per pupil. Yet total education spending per student – federal, state and local dollars combined – varied from a low of \$4,732 to a high of \$13,376.

Note: In addition to basic state aid, districts receive funds for transportation, special and gifted education, parents as teachers, and “career ladder” payments to teachers.

Hold Harmless: A provision in the formula holds districts that would otherwise get less basic state aid to the same level received before the formula became law, though it does allow some increases for at-risk students.

Gambling Revenues: An 18 percent gross receipts tax on riverboat gambling continues to be used for education, as required by law. State aid payments to districts are funded by:

- Gambling proceeds - 10 percent
- 1993 state income tax increase - 10 percent
- State general revenue - 80 percent

Also, almost 30 cents of each \$1 lottery revenue goes to education with the remainder for prizes, lottery operations, and retailer commissions; the unclaimed prize money goes to the classroom trust fund. Bingo adds \$1.7 million a year to the state’s schools for the blind, deaf, and severely handicapped.

This year the General Assembly affirmed education as the priority of state government, setting aside 47.8% of state general revenues for fiscal year 2005 for elementary and higher education.

School Year:	1998-99	1999-2000	2000-01	2001-02	2002-03
Total Public School Spending ¹ *	\$6.49	\$6.93	\$7.39	\$8.07	\$8.41
Gambling Proceeds to Education *	0.20	0.24	0.29	0.30	0.39

¹ Total expenditures of all Missouri Public Schools, including building and equipment costs.

* In billions of dollars

Note: School district finance reports available online at www.dese.mo.gov/schooldata

DISTRIBUTION OF EACH TAX DOLLAR

FY 2005 TAFP MISSOURI OPERATING APPROPRIATIONS

All Funds: \$18.867 Billion



* Revenue, Office of Administration, Elected Officials, General Assembly, Leasing

Transportation

Adequate transportation infrastructure is essential to the success of our county and the state. In addition to state and federally funded transportation projects, county and local municipalities play a major role in improving their secondary roads to further enhance traffic mobility.

St. Charles County has fared well in the completion of several major projects over the past decade, including:

- Highway 370 and the Discovery Bridge;
- Highway 364 (Page) into St. Charles and the Veterans Memorial Bridge; and
- Upgrades to Highway 40 and I-70.

Ongoing Improvements: Construction has begun on the bridge portion of a new interchange at I-70 and Highway 94. Plans are underway to extend I-70 auxiliary lanes from Mid Rivers to Highway K, while an added lane and interchange improvements are being constructed from Lake Saint Louis westward. Efforts are continuing for further improvements on Highways 94, 40 and the Daniel Boone Bridge and for completion of Highway 364.

Legislative Gains: The legislature improved accountability of the transportation department by implementing a new independent inspector general position to oversee operations, revising the process of determining leadership on the highway commission, and placing the department's chief counsel under the director's control. Property owners were granted additional protections in highway condemnation proceedings.

Senator Gross' bill to reinstate the sales tax exemption on state highway projects, which was vetoed last year by the governor, stalled, as did other measures to direct more existing funding to transportation, when it became apparent that a citizen group would be successful in putting its own proposal on the November ballot.



Sen. Gross joins dignitaries from around the state in opening the Veterans Memorial Bridge and Highway 364 into St. Charles in December, 2003.

Funding: State funding has not kept pace with the need for expansion, maintenance and safety improvements statewide. To supplement federal funds, Missouri relies upon a 17-cent per gallon state gas tax, vehicle registration fees, and one-half of collected motor vehicle sales tax. Even when gasoline prices rise, state gas tax revenue remains constant as the tax is not a sales tax, but a tax per gallon purchased.

These state highway funds are reduced by diversions, or the transfer of monies, to state agencies for expenses other than road construction and maintenance.

The legislature succeeded in moving a step closer toward ending the diversion of highway funds by protecting nearly \$1 million that previously had gone to three non-highway state agencies.

Vehicle Emissions Testing

Efforts to suspend Missouri's enhanced vehicle emissions testing program stalled as state legislators wrestled with how to lessen the burdens placed on the public by the Environmental Protection Agency (EPA) in cooperation with Missouri's executive branch of government. The governor has committed Missouri to continued emissions testing until at least 2012 as part of the state's plan to meet EPA air quality standards.

The EPA has since raised the air quality standard states must meet, and Missouri has been given until 2007 to put an acceptable plan in place that will bring Missouri into compliance in 2010. The EPA has punished non-compliant states by withholding federal highway funds and/or restricting economic growth. Another challenge has been that the state's contract with the current testing provider runs to 2007, and the state's cost to break that contract has been estimated at \$40 million.

Children and Families

Children and families were major beneficiaries of the General Assembly's legislative success. In addition to increased education funding, the further streamlining of state government enabled legislators to direct more resources to protect abused children, care for the elderly in nursing homes and assist families caring for mentally ill children.

Reforms: Greater protections for children in the state's child welfare system were provided by establishing a new child advocate office and a task force on children's justice. Included were new reporting requirements, the dismissal of children's division workers and contractors should negligence result in serious injury or death of a child, and enhanced provider background checks.

Other concerns were addressed by adding due process provisions for those accused of abuse, increased parental notifications and open hearings.

A comprehensive children's mental health program will provide supports to mentally ill children and their families so that children get needed treatment without being placed into state custody.

Added Protections: Increased penalties for identity theft, as well as for sexual offenders and sexual predator prison escapees, were added. Investigations and penalties for child pornography were expanded as was the state's DNA profiling system, and restrictions were placed on sexually explicit billboards. State laws against kidnapping and human trafficking were strengthened.

Funding: An extra \$10 million was provided to better protect abused children and those in state custody. Community health centers, children's treatment services, and child assessment centers received more revenue, and funding for domestic violence and child care for low-income children was maintained.

No reductions were made to Medicaid benefits for children and additional funds were provided for nursing home care and increased eligibility for the elderly and disabled.

The alternatives-to-abortions funding that was missing from the governor's budget recommendation was reinstated.

District 23 Residents Appointed to State Boards and Commissions

- **John Scherr** - Missouri Head Injury Advisory Council
- **Tracy Bono** - Missouri Family Trust Board

For more information on the appointment process, visit web site www.gov.mo.gov/boards.htm.

Veterans and Missouri National Guard

Veterans Homes and Programs:

The General Assembly increased funding to keep all beds open in the state's veterans homes, to enhance salaries to attract qualified nursing staff and to provide an additional outreach coordinator. Additional funding was identified to provide taping of veterans for historical purposes and for the Vietnam Survivor Scholarship program.

WWII veterans have until January 2005 to apply for the medallion program and the state medals for Korean War veterans are now available. For an application, call toll-free 866-834-3431 or online at www.moguard.com and select "Programs" and "Veterans Awards."

National Guard:

Missouri National Guard troops continue to provide honorable service to protect our country from terrorism and to further the cause of democracy. As of May 18, Missouri had 3,275 dedicated Air and Army National Guard soldiers deployed on active duty in Iraq, Afghanistan and other venues in support of the *Enduring Freedom* and *Noble Eagle* operations.

National Guard families needing assistance, as well as citizens seeking opportunities to offer support to the troops and their families, may contact: Army National Guard Family Assistance Center at Jefferson Barracks by calling toll-free 877-285-7101; and the Air National Guard Family Program Office at Lambert Airport by calling 314-527-6362.

Upcoming Ballot Measures

Missourians intending to vote for the first time this fall, as well as those who have moved since the last election, must be registered by July 7 to be eligible to vote in the August primary or by October 6 for the November General Election. For details call the county elections office at 636-949-7550.

Elected Officials: In addition to the presidential election, voters will select one United States senator, their congressman and vote on the statewide positions of governor, Lt. governor, secretary of state, treasurer and attorney general.

Local voters will elect a state senator for the 23rd district and their state representatives.

Two circuit judgeships will be decided, and county council members for districts 2, 4 and 6 will be elected.

Statewide Issues: Voters will decide in August whether to amend the Missouri Constitution to define marriage as only between one man and one woman.

Local Measures: Proposal on the August ballot to extend the county's ½-cent sales tax for local road projects throughout St. Charles County. This is not a tax on gasoline.

Citizen Initiatives: It appears that citizens have gathered sufficient signatures to place two statewide proposals on the ballot:

- Require all revenues from existing motor vehicle fuel tax and other highway user fees to be used only for state and local highways, roads and bridges and dedicate one-half of the amount for repayment of state highway bonds.
- Expand riverboat gambling to Rockaway Beach, Missouri, with the additional state proceeds used to increase teacher salaries and make building improvements at under-achieving schools in the state as identified by the Department of Elementary and Secondary Education.

Group Celebrates Voyage of Lewis & Clark with Re-Enactment

On the banks of the Missouri River in St. Charles, Lewis, Clark and 45 stouthearts assembled from nearby communities to launch the expedition that author Stephen Ambrose has dubbed “this nation’s *Odyssey*.”

Ambrose captures the distinction of the moment, 3:30 p.m. on May 21, 1804, describing their departure from St. Charles:

“As the keelboat turned her bow into the stream, Lewis and his party cut themselves off from civilization. There would be no more incoming letters, no orders, no commissions, no fresh supplies, no reinforcements, nothing reaching them, until they returned.”

Excerpt from *Historical Background of the Louisiana Purchase* by the late Kevin Kipp, Expedition Coordinator and Expedition Committee Member

St. Charles was alive once again in May of 2004 with sights, sounds and smells of the distant past as re-enactors, including the Discovery Expedition of St. Charles, commemorated the 200th anniversary of the famed voyage of Meriwether Lewis and William Clark. Expedition members proceeded up the Missouri River from St. Charles to re-enact the entire journey to the Pacific Ocean and are to return here September, 2006.



Senator Gross took time to visit with re-enactors during the festivities.

Calendar of Events

July:

- 3 & 4 Riverfest 2004, St. Charles Frontier Park
- 3 & 4 O’Fallon Fest, Ozzie Smith Sports Park
- 3 5K Firecracker Run, O’Fallon
- 4 Flag re-dedication, St. Peters City Hall
- 9 Friday Band Concert, Frontier Park
- 17 - 19 Olde Tyme Picnic, St. Peters
- 18 Blessing of the Fleet, Portage des Sioux
- 24 Stargazing with Astronomers, Klondike Park
- 27 - 31 County Fair, Rotary Park Wentzville
- 30 “Beetlemania,” Busch Conservation Area

August:

- 7 Teddy Bear Picnic, Progress Park Wentzville
- 13 Friday Band Concert, Frontier Park
- 15 Just Desserts Bike Ride, Trailnet
- 20 - 22 Festival of Little Hills, St. Charles

July and August, every:

- | | |
|-----------|---------------------------------------|
| Tuesday | O’Fallon Jammin, Civic Park |
| Wednesday | Music on Main, St. Charles |
| Thursday | Municipal Band Concert, Frontier Park |

For more information on events:

- Community calendar online at www.stcharlescountycalendar.com.
- St. Charles County Parks Dept., phone 636-949-7535
- St. Charles city, phone 636-949-3200
- St. Peters city, phone 636-477-6600, ext. 225



Knowing that the success of the future lies in the generations to come, Sen. Gross welcomes school children of all ages to visit and learn about the legislative process. Here, the senator visits with a group of school kids visiting the Capitol.

Contact Senator Gross

My staff and I are happy to answer questions or hear concerns you may have about state government.

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Senator Gross' press releases, sponsored bills, and additional information are available online at:
www.senate.state.mo.us/gross
To access all state legislative information online, visit
www.moga.mo.gov.

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